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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5557

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State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Hargrove, Prentice, Zarelli, Hatfield, Brandland, Brown, Poulsen, Pridemore and McAuliffe)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to public facilities for economic development  
2 purposes; amending RCW 82.14.370; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 82.14.370 and 2004 c 130 s 2 are each amended to read  
5 as follows:

6 (1) The legislative authority of a rural county may impose a sales  
7 and use tax in accordance with the terms of this chapter. The tax is  
8 in addition to other taxes authorized by law and shall be collected  
9 from those persons who are taxable by the state under chapters 82.08  
10 and 82.12 RCW upon the occurrence of any taxable event within the  
11 county. The rate of tax shall not exceed (~~0.08~~) 0.1 percent of the  
12 selling price in the case of a sales tax or value of the article used  
13 in the case of a use tax, except that for rural counties with  
14 population densities between sixty and one hundred persons per square  
15 mile, the rate shall not exceed 0.04 percent before January 1, 2000.

16 (2) The tax imposed under subsection (1) of this section shall be  
17 deducted from the amount of tax otherwise required to be collected or  
18 paid over to the department of revenue under chapter 82.08 or 82.12

1 RCW. The department of revenue shall perform the collection of such  
2 taxes on behalf of the county at no cost to the county.

3 (3)(a) Moneys collected under this section shall only be used to  
4 finance public facilities serving economic development purposes in  
5 rural counties. The public facility must be listed as an item in the  
6 officially adopted county overall economic development plan, or the  
7 economic development section of the county's comprehensive plan, or the  
8 comprehensive plan of a city or town located within the county for  
9 those counties planning under RCW 36.70A.040. For those counties that  
10 do not have an adopted overall economic development plan and do not  
11 plan under the growth management act, the public facility must be  
12 listed in the county's capital facilities plan or the capital  
13 facilities plan of a city or town located within the county.

14 (b) In implementing this section, the county shall consult with  
15 cities, towns, and port districts located within the county and the  
16 associate development organization serving the county to ensure that  
17 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
18 requirements of (a) of this subsection. Each county collecting money  
19 under this section shall report, as follows, to the office of the state  
20 auditor, (~~(no later than October 1st)~~) within one hundred fifty days  
21 after the close of each fiscal year(~~(7)~~): (i) A list of new projects  
22 (~~from~~) begun during the (~~prior~~) fiscal year, showing that the  
23 county has used the funds for those projects consistent with the goals  
24 of chapter 130, Laws of 2004 and the requirements of (a) of this  
25 subsection; and (ii) expenditures during the fiscal year on projects  
26 begun in a previous year. Any projects financed prior to June 10,  
27 2004, from the proceeds of obligations to which the tax imposed under  
28 subsection (1) of this section has been pledged shall not be deemed to  
29 be new projects under this subsection. No new projects funded with  
30 money collected under this section may be for justice system  
31 facilities.

32 (c) For the purposes of this section, (i) "public facilities" means  
33 bridges, roads, domestic and industrial water facilities, sanitary  
34 sewer facilities, earth stabilization, storm sewer facilities,  
35 railroad, electricity, natural gas, buildings, structures,  
36 telecommunications infrastructure, transportation infrastructure, or  
37 commercial infrastructure, and port facilities in the state of

1 Washington; and (ii) "economic development purposes" means those  
2 purposes which facilitate the creation or retention of businesses and  
3 jobs in a county.

4 (4) No tax may be collected under this section before July 1, 1998.  
5 No tax may be collected under this section by a county more than  
6 twenty-five years after the date that a tax is first imposed under this  
7 section.

8 (5) For purposes of this section, "rural county" means a county  
9 with a population density of less than one hundred persons per square  
10 mile or a county smaller than two hundred twenty-five square miles as  
11 determined by the office of financial management and published each  
12 year by the department for the period July 1st to June 30th.

13 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2007.

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